

BND Exchange

Volume 6 Issue 3 2008



Dollars for Scholars Founder Visits North Dakota

page 5

Bank of
North Dakota

BND Stable in
Tough Times
page 2

Changes to
Lending Programs
page 7

Four ND Children
Receive \$529 Awards
page 7



Eric Hardmeyer

PRESIDENT'S *Message*

Despite the uncertainty in the financial markets and the credit crisis occurring around the country (and globe for that matter) our future remains bright. BND, like other North Dakota financial institutions, was prudent and careful with our depositors' and shareholders' money. We did not engage in subprime lending or complex derivatives that have caused much of the problems that the national economy is facing today.

We understand that we play an important role in providing liquidity to our North Dakota banking partners. We will continue to work with you on this important issue. Additionally, we believe the vitality of every community is dependent upon financial institutions that make investments to help advance the local economy. BND has many programs specifically designed to assist our financial partners and we are ready and willing to lend a hand in any way we can.

As we approach Bank of North Dakota's 90th Anniversary in May, 2009, it is our belief that we have been able to thrive as the only state-owned bank in the nation through a rational and long-term approach to the many sectors in which we are privileged to serve. With that in mind, we contracted with Prairie Consulting, Inc. to conduct strategic planning for the timeframe of 2009-2012.

Our previous strategic plan resulted in new technology in core banking, investments and cash management systems. Implementation of these systems has and will continue to provide new functionality and better customer service.

This round of strategic planning, to be completed this fall, will be far-reaching in scope. With our proactive approach we plan to build upon our success in four core business areas: Banking Services, Lending Services, Student Loan Services and Treasury Services.

I want to thank all of you who helped by participating in our survey. Your involvement will help define the areas in which we need to improve and strengthen our organization. Our commitment to provide economic support to our partners in North Dakota remains unwavering. Together we can continue to meet business needs and strategically shape our future. ≡



BND Sponsors College Prep Software for North Dakota Schools

Bank of North Dakota (BND) and Student Loans of North Dakota (SLND) have signed a three-year contract with Xap Corporation and Bridges Transitions, a provider of career and educational planning solutions. Through this agreement, every North Dakota middle school and high school will be provided access to Bridges Guidance Central, a software program with career exploration, education planning and test preparation tools. Tools sponsored by BND and SLND include testGEAR for ACT, Choices Planner and Choices Explorer. Students and their parents can access information online from anywhere.

BND and SLND first began sponsoring Bridges Guidance Central products in 2005. For the last three years schools have received access to Choices Planner and testGEAR for ACT; which are geared toward high school students. Choices

Explorer, a product designed for middle school students, will also now be available.

In addition to statewide product distribution, this sponsorship agreement also includes training for North Dakota's education professionals who work directly with students. "Encouraging students to explore their interests fosters personal growth and satisfaction. Connecting those interests to school classes and careers helps students to be more engaged in the classroom, earn higher grades and be better prepared for higher education," said Julie Kubisiak, Director of SLND. "We are thrilled at the prospect of broadening access to career and college planning among North Dakota students, and look forward to seeing the continued positive results." ≡

BND Offers Free Online Account Access

Bank of North Dakota is pleased to announce that customers can now view their deposit account information online through BND's Web site. Customers need only submit a short inventory of user information and security data, create a user code and password, and easily enjoy full secure account access. With this new service, BND created another measure of security for its customers.

"In addition to a customer's user code and password, an added security feature is the use of an authentication image that assures the customer they have accessed BND's Web site," explained Linda Rosen, operations manager for BND.

BND customers have received a direct mail piece explaining how to get to their account online. ≡



BND Gives Out Four College Savings Awards

Four North Dakota children have jumpstarted their college savings plans with a \$529 award from Bank of North Dakota (BND). Each award has been placed into the recipients' College SAVE 529 plan accounts.

College SAVE is North Dakota's state-sponsored, tax-advantaged 529 college savings plan administered by BND. Two children were drawn at the 529 College Savings Day events held at the zoos in Bismarck and Minot on May 29, 2008. The Bismarck winner was Jordan Weeks, age seven, and the child drawn in Minot was Kacie Rexin, age three.

A statewide drawing took place comprised of participants from the Zoo Day events in both locations, plus other North Dakota residents who responded to a general mailing promoting the drawing. Nine-year old Brooke Pella of Fargo was drawn.

Brooke's mother, Lenora, said this \$529 award reminded her to think about her daughters' educational futures.

"I hope to get more on track with saving," said Lenora. "We have done some, but we haven't done regular contributions. We really need to kick it in gear. It's creeping up on us – the

longer we wait, the more we need to save and the tougher it's going to get!"

Those sentiments were echoed by another mother whose daughter won a \$529 award.

"Winning a contest like this is a good reminder to save for college," said Michele Meidinger. "We have two girls who plan to attend college. With the cost of college going up all the time, this is a good incentive to start saving. I plan on adding to the fund as much as I can now that I have a start."

Ten-year old Marissa Meidinger of Zeeland and her family stopped by the College SAVE booth at the State Fair in Minot to paint on the fair's first ever giant mural and sign up for a \$529 drawing from BND. Lucky for her it was her name drawn from the hundreds of entries.

"Bank of North Dakota is proud to assist these families as they tackle the admirable task of saving for college," explained Eric Hardmeyer, BND president. College is important and we look forward to hearing about the successes of these future graduates." ≡

Marissa Meidinger of Zeeland



\$529 winner Brooke Pella, her mother, Lenora and little sister, Amanda.

College SAVE™

Picture the Future

www.collegesave4u.com • 1-866-SAVE529

National Dollars for Scholars Founder Comes to North Dakota

North Dakota Dollars for Scholars (NDDFS) celebrated the dedication of its volunteers across the state on Saturday, September 27, 2008 at an appreciation luncheon. The highlight of the event was Dr. Irving Fradkin, the 87-year old founder of Dollars for Scholars and its parent organization Scholarship America, who spoke to at least 120 volunteers from North Dakota communities.

“Starting with just \$1 from Eleanor Roosevelt in 1958, we have generated over \$2 billion for more than one-and-a-half million students, and we plan to give out \$1 billion annually in the foreseeable future,” explained Fradkin.

There are now 1,300 chapters in 42 states. Even though Dollars for Scholars is now celebrating 50 years, North Dakota is breaking ground with a first for the non-profit organization.

“North Dakota and Bank of North Dakota is making history,” said Fradkin. “North Dakota is the first state in America to have an entity of any kind establish a Dollars for Scholars state office for the benefit of the entire state. The example North Dakota is setting is marvelous. It will help reignite the American Dream.”

Dollars for Scholars first began in 1962 in North Dakota. It has grown to 80 chapters who have distributed nearly \$17 million to more than 13,000 North Dakota students.

NDDFS and its partner Bank of North Dakota hosted the appreciation luncheon. More than half of the local chapters were represented at the luncheon, and each community who was represented received a \$500 scholarship for a local student. Hundreds of North Dakota students have been helped by deserving volunteers across the state who work tirelessly to help students achieve their dreams of higher education.

“If we work together, we can make a difference,” says Fradkin. “Money is a necessary commodity, but it is the people that make the difference.”

To learn more about North Dakota Dollars for Scholars, visit www.nddfs.org or call Lori Sayler at 1-888-592-8540. ➡



North Dakota
Dollars for
SCHOLARS®





BND: People Set Us Apart

Julie Dahle

Julie Dahle is one of the newest members of the BND Team! Julie is the new Director of Risk Management. She has almost 7 years of commensurate experience, and 14 years of banking related experience.

Julie is responsible for the overall strategic and operational management of the Bank's risk management function. The risk management function includes oversight responsibility for Internal Audit, Compliance, Information Security, and Business Continuity. In each of these areas, a risk-focused approach is used to provide value through helping to identify, monitor, and manage actual and potential risks to the bank.

She enjoys her job because it continually changes. "It's always exciting and rarely the same. Each day typically presents a new challenge to be overcome. This is due largely to ever-changing laws and regulations, but also due to economic, technological and strategic changes that impact risk to the Bank. I love to learn, so this is a great job to have."

Julie also serves as the Corresponding Secretary and Chairperson of the Zonta Park Committee within the Zonta Club of Bismarck and is an Advisory Board Member for the UTTC Entrepreneurship Program.

Away from work and civic duties, Julie likes to spend time with her family and help with their family-owned business. She also enjoys reading, cooking and spending time outdoors. ≡



Julie started at BND at the end of September.



Stan established the Credit Standards & Review department at BND.

Stan Benson

As the Credit Standards & Review Manager at Bank of North Dakota, Stan Benson has oversight within Lending Services to provide lending staff and Bank management with an on-going assessment of a variety of credit risk issues impacting the commercial, farm, residential and student loan portfolios. Credit review personnel also issue a variety of key reports pertaining to the evaluation of credit quality that are reviewed by members of BND's Advisory Board of Directors and the North Dakota Industrial Commission.

In addition to these duties, Stan is the legislative coordinator for BND. He maintains knowledge, reports to management, and occasionally testifies on the status of a large variety of legislative bills that impact the Bank.

Stan has been with BND for the past 22 years after beginning his banking career with what is now Wells Fargo Bank. During his tenure at BND, he established the Credit Standards & Review department, and has experienced immense change and growth in both technology and loan portfolio size. Stan is proud to work at BND and truly enjoys his job, for the same reason today as when he started - the unique opportunity to work for the only state-owned bank in the nation. He credits his hard-working staff for his department's success in meeting and providing excellent customer service to others.

He is the past Chairman of the Western North Dakota Chapter of Robert Morris Associates and is active in the Missouri Slope Areawide United Way charity fund drives. In his free time Stan enjoys attending all types of sporting events and supporting the activities of his family. ≡

BND Loan Programs See Change

In response to the changing demands of our economy and recommendations made by economic development professionals throughout the state, Bank of North Dakota (BND) and the North Dakota Industrial Commission made revisions to BND's loan policy with regards to the PACE and Flex PACE interest buydown programs, Beginning Entrepreneur Guarantee Program, and the Government Guaranteed Loan Purchase Program. The policy changes went into effect August 20, 2008. BND's partner financial institutions should have received a memo detailing the changes in September.

With the pending North Dakota legislative session, BND will be looking hard at all of its programs and considering in which new initiatives it could play a role. BND appreciates the input your organization has given in the past and looks forward to any suggestions or recommendations you might have for the 2009 session.

If you have any questions, please contact Bob Humann at 1-800-472-2166 ext. 5703, or email at bhumann@nd.gov. ≡



MATCH Program Expands by \$50 Million

In the last issue of the *BND Exchange*, the need for an expansion of the MATCH loan program was featured. The program is designed to encourage existing business expansion and also attract financially strong companies to the state.

The capital for the MATCH program comes from several funds administered by the North Dakota Retirement and Investment Office (RIO). BND is pleased to announce that the State Investment Board has agreed to expand the current \$150 million in funding to a total of \$200 million.

"The MATCH Loan-CD program allows the State Investment Board an opportunity to invest for a return that is commensurate with the low level

of risk," explained Steve Cochrane, executive director and chief investment officer of the RIO. "Because these CDs are stable value investments, they serve to dampen the volatility of the investments in the publicly traded markets."

Bank of North Dakota is just one of the sources the State Investment Board invests funds with, but it is a good partnership.

"We have a lot of requests for investments in venture capital and most of them are for investments out of state and in the form of equity participation," said Cochrane. "This gives us the opportunity to invest in a CD that funds economic expansion in North Dakota which is unique and attractive. We are very pleased to have the opportunity to work with Bank of North Dakota to promote economic growth in our beautiful state." ≡



Bank of North Dakota *Happenings*

Students Receive Life 101

Once again BND is sponsoring the Life 101 College Bound Family Calendars – a useful planning tool for high school seniors and their parents. Calendars were sent to high school counselors in North Dakota, Minnesota and South Dakota. In larger populated areas of North Dakota, students received the calendar at their home addresses.

Life 101 publications with interesting and helpful college planning information will be sent to schools yet this fall. To request a calendar, email bndsl@nd.gov. ≡

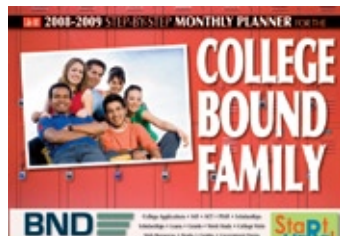


Image Exchange Update

Financial institutions across the state may recognize this bright piece of mail! Currently 62% of North Dakota financial institutions are on board with Image Exchange and 78% of all transactions are being completed through image technology.

For more information about the benefits and seamless transition to BND Image Exchange services, contact Linda Rosen at 701-328-5623. ≡



Original Bank Building Sold

The original Bank of North Dakota building on the corner of Seventh Street and East Main Avenue in Bismarck was sold to Minot based IRET Properties for \$2.22 million, effective Friday, August 1, 2008.

Included in the sale to IRET Properties is the original bank structure at 700 East Main and BND Annex at



715 East Broadway, formerly the old Red Owl facility, along with the surrounding property and parking lots. ≡

BND
Exchange

BND
Bank of North Dakota

1200 Memorial Hwy
P.O. Box 5509
Bismarck, ND 58506-5509
www.banknd.nd.gov